MULTIMEDIA UNIVERSITY

STUDENT IDENTIFICATION NO

MULTIMEDIA UNIVERSITY

FINAL EXAMINATION

TRIMESTER 3, 2021/2022

BBL2614 – BUSINESS LAW

(All sections / Groups)

12 AUGUST 2022
9.00 a.m – 12.00 p.m
(3 Hours)

INSTRUCTIONS TO STUDENT

1. This Question paper consists of 3 pages with 4 Questions only.
2. Attempt ALL **FOUR (4)** questions. All questions carry equal marks and the distribution of the marks for each question is given.
3. Please write all your answers in the Answer Booklet provided.

QUESTION 1

(a) Muhammad, a 17-year-old Palestinian, came to study law at the Cyber University Malaysia. He obtained a loan of RM2,000 from Chettiar by executing a promissory note. He spent RM1,000 to buy law books, a watch and sports equipment. The balance of RM1,000 was spent on a sightseeing tour to Singapore.

Muhammad promised Rehana whom he had met at the University to marry her. Whilst attending a seminar at University Malaya, he met Rasheedah and fell in love with her. He promised to marry her too. Muhammad did not repay the loan. Discuss and decide the legal position of the parties.

(15 marks)

(b) Fauzia booked her flight from London to Kuala Lumpur by MAS (Malaysian Airline System) to attend 'Visit Malaysia' celebrations. She has a confirmed ticket to fly by MAS on a scheduled flight on a particular day. As the flight was over-booked, MAS could not accommodate her on the aforesaid flight. When Fauzia brought an action against MAS, the latter sought protection under the following clause printed on the ticket. 'Carrier undertakes to use its best efforts to carry the passenger and baggage with reasonable dispatch. Times shown in timetables or elsewhere are not guaranteed and form no part of this contract. Carrier may without notice substitute alternate carriers or de aircraft, and may either alter or omit stopping places shown on the ticket in case of necessity. Schedules are subject to change without notice. Carrier assumes no responsibility for making connections.' Discuss.

(10 marks)

(Total: 25 marks)

Continued.....

QUESTION 2

Kylie operates a successful water bottle business. Kylie operates as a sole trader. She decides to sell a greater variety of bottled water. After examining different brochures, she discovers 'Dave's Bottled Mineral Water Supply'. The owner of the business is David. Kylie tells David that she is interested in expanding her business by selling mineral water. David tells Kylie that he has a large selection of mineral water. David shows Kylie a brochure of all the different kinds of mineral water he has for sale. The brochure shows that the mineral water comes from a mountain creek. Kylie asks David whether he has some mineral water for her to try. David hands over a bottle from the shelf and asks her to taste it. Kylie drinks the water and says it tastes better than plain water. Kylie decided to buy a one-year supply to sell to her customers. She purchases 35,000 bottles for a total cost of RM35,000. After selling 1,000 bottles of mineral water in the first two weeks, Kylie discovers that some of her customers complain about stomach pains, vomiting and diarrhoea. Kylie sends a bottle of mineral water to a scientific laboratory. The lab discovers that the mineral water contains a virus undetectable to the naked eye.

Advise Kylie of her statutory rights against David under the Sale of Goods Act 1957.

(25 Marks)

(Total: 25 marks)

QUESTION 3

(a) In January 2022, Maria asked Sally to sell her diamond ring. She instructed Sally to get the best possible price for it. Sally eventually sold the diamond ring to Erene for RM15,000. However, in May 2022, Maria discovered that Erene had given a Longines watch to Sally during her birthday in November 2021. Maria also discovered that Francisca had offered to buy the diamond ring for RM17, 000. Advise Maria.

(15 marks)

Continued.....

(b) Section 3 (2) of the Bill of Exchange Act 1949 provides that an instrument which does not comply with these conditions, or which orders any act to be done in addition to the payment of money, is not a bill of exchange

Define bill of exchange and discuss any **FIVE (5)** characteristics of a bill of exchange.

(10 marks)

(Total: 25 marks)

QUESTION 4

(a) Discuss the effects of insurable interest in the law of insurance. Support your answer with relevant cases.

(10 marks)

(b) You are the legal adviser of Hensem Bhd, a finance company. The company seeks your advice on the following cases:

i) Musa, a hirer, wishes to remove his goods under the hire purchase agreement from Terengganu to Johor.
ii) Rajendran, a hirer wishes to terminate the hire purchase agreement he entered with the company.
iii) Gary, a hirer, requested in writing information on the state of his account from the company.

With reference to the Hire Purchase Act 1967 (Revised 1992), advise Hensem Bhd.

(15 marks)

(Total: 25 marks)

End of Paper